

March 30, 2006

Honorable James H. Welsh
Commissioner of Conservation
Department of Natural Resources
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: Marg Tex Zone, Reservoir B, SUA, SUB and SUC
EDGERLY FIELD
Calcasieu Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Kilrush Petroleum, Inc. to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Marg Tex Zone, Reservoir B, SUA, SUB & SUC in the Edgerly Field, Calcasieu Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of oil and gas from the Marg Tex Zone, Reservoir B, SUA, SUB and SUC in the Edgerly Field, Calcasieu Parish, Louisiana.
2. To create three (3) drilling and production units for this zone and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created.
3. To designate a unit operator and a unit well for the units so created.
4. To provide that any wells drilled outside of the Marg Tex Zone, Reservoir B, SUA, SUB and SUC shall be in accordance with the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner may reclassify the reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
6. To discuss any other matters that may be pertinent to this application.

The Marg Tex Zone, Reservoir B, in the Edgerly Field, Calcasieu Parish, Louisiana, is hereby defined as that oil and gas bearing zone encountered between the depths of 7728' and 7850' (electrical log measurements) in the People's Energy Production-Texas L.P. - North American Land Company No. 3 Well (SN 228844), located in Section 33, Township 9 South, Range 11 West, Calcasieu Parish, Louisiana.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for POSTING of the legal notice of the hearing and unit plat in a prominent place in the area of the Edgerly Field, Calcasieu Parish, Louisiana, and will cause the legal notice of the hearing to be PUBLISHED in a newspaper of general circulation published in the vicinity of the Edgerly Field, Calcasieu Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from David Comeaux at Leon E. Comeaux & Associates, P. O. Box 53922, Lafayette, Louisiana 70505 (337)233-9839.

In compliance with the Rules of Procedure, a preapplication conference was held in Lafayette, Louisiana, on March 29, 2006, at which the parties named on the attached list were in attendance.

The conference was opened with a discussion by Mr. David Comeaux, representing Kilrush Petroleum, Inc., concerning the nature and purpose of the conference and the bases for the applicant's proposed unit.

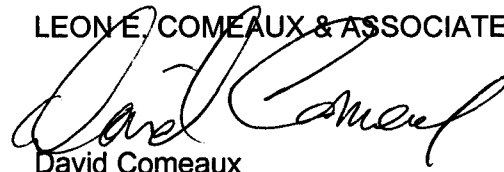
Questions were asked and answered, but there were no counter plans presented. There was no opposition expressed at this conference.

There are attached hereto and made a part hereof a plat outlining the proposed unit, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties and proposed unit plat (**being the same plat attached to the March 7, 2006 preapplication notice**) are being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said plat and the list of parties will be provided to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Kilrush Petroleum, Inc., in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



David Comeaux

DC/cu

Enclosures

cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Road
Brandywine III, Suite 220
Lafayette, Louisiana 70508-4284

Interested Parties, Interested Owners
and Represented Parties

